

CHAPTER 2 FINANCING THE FEDERAL-AID HIGHWAY PROGRAM**CONTENTS**

Section	Subject	Page Number
2.1	NATIONAL LEVEL ACTIONS	2-1
	Authorizations and Deductions	2-1
	Apportionments and Allocations	2-2
	Obligational Authority	2-2
	Annual Appropriations Act	2-3
2.2	STATE LEVEL ACTIONS	2-3
	Local Agency Apportionments	2-3
	RSTP and CMAQ Funds	2-3
	Local Obligational Authority	2-4
	Obligational Authority Guidelines	2-6
	Tracking Obligational Authority	2-6
2.3	PROJECT LEVEL ACTIONS	2-7
	Federal-Aid Project Financing	2-7
	Local Agency-State Master Agreement	2-7
	Project Inclusion in FTIP/FSTIP and Approved Eligibility Lists	2-7
	Authorization to Proceed	2-8
	Program Supplement Agreement	2-9
	Detail Estimate	2-9
	Finance Letter	2-9
	Federal-Aid Project Agreement (PR-2)	2-9
	Combined State and Federal-Aid Project Financing	2-10
2.4	REFERENCES	2-10
Exhibit	Subject	Page Number
2-A	TIP EXEMPT PROJECTS	2-12

CHAPTER 2 FINANCING THE FEDERAL-AID HIGHWAY PROGRAM

2.1 NATIONAL LEVEL ACTIONS

The process of financing the Federal-Aid Highway Program begins with congressional approval of a Federal Highway Act. The most recent Federal Highway Act is the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. The highway act is the primary instrument used by Congress to shape and redirect the Federal-Aid Highway Program.

Most programs within the Federal-Aid Highway Program operate under what is called “contract authority”, a special form of budget authority. Under contract authority, the sums authorized in Federal highway acts are made available for obligation without an annual appropriations action. The use of contract authority gives the states advance notice of the size of the Federal-aid program as soon as the authorization is enacted. It should be understood that contract authority is unfunded by definition and does not allow the obligation of funds to a project. It does however allow an assignment of funds to projects when preparing planning documents, such as the TIP. A subsequent appropriations act is necessary to pay obligations made under contract authority (discussed later).

Title 23 of the United States Code (23 USC) is titled “Highways” and contains most of the laws that govern the Federal-Aid Highway Program. It includes the provisions of law that Congress considers permanent or continuing and need not be reenacted with each new highway act. As new highway acts are passed, sections of Title 23 are amended, added or repealed as necessary. Title 23 does not contain requests for studies, special projects, etc. and most authorizations are not codified.

AUTHORIZATIONS AND DEDUCTIONS

Congressional authorizations represent the upper limits on the Federal funding commitments which can be made against the various Federal-aid highway programs included in a Federal Highway Act.

Before these authorizations are released to the states, two administrative deductions are made. The first deduction is for Federal Highway Administration (FHWA) oversight of the highway program and FHWA sponsored research development and technology transfer. This deduction is limited to 3.75 percent of the funds apportioned to the states for most authorized programs. The second deduction is for metropolitan transportation planning activities mandated by 23 USC 134. This deduction is equivalent to 1.0 percent of the amount remaining after the first deduction is made from the Interstate Maintenance (IM), National Highway System (NHS), Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) and Highway Bridge Replacement and Rehabilitation (HBRR) programs.

In addition to the above program-wide deductions, other funds are set aside for special purposes. For a complete listing of take downs over the period of the ISTEA refer to *Financing the Federal-Aid Highways*, Federal Publication No. FHWA-PL-92-016 dated May 1992.

APPORTIONMENTS AND ALLOCATIONS

The FHWA apportions (distributes) the remaining authorized program funds, after deductions and set asides, to the states using Federally mandated formulas and procedures.

Federal apportionment of authorized amounts generally occur on the first day of the Federal fiscal year. The Federal fiscal year begins October 1 and ends September 30 and is referred to by the beginning year (e.g. 1996 fiscal year begins on October 1, 1996). Once an apportionment is made to a state, it cannot be taken away (other than by lapsing) except through a congressional action.

The majority of Federal Highway Program funds are available for three years after the close of the fiscal year for which such sums are authorized. In effect, these funds are available for a four year period. However, at the end of this period of availability, the authority to obligate remaining funds from that particular fiscal year's apportionment will lapse--it is no longer available for obligation.

The apportioned funds for the current year are added to the unused portion (unobligated balance) of the previous year's apportionments to establish the new unobligated balance. This balance represents the total funds authorized by Congress and distributed (apportioned) by FHWA for eventual obligation by the state. However, as discussed in the next section on "Obligational Authority", there is a limitation (established annually) on the total amount of apportioned funds, including unexpired funds from previous fiscal years, which can be obligated in a given year.

"Allocation" is the distribution of funds when there are no Federally mandated formulas. In most cases, allocated funds are divided among the states using administratively determined formulas and/or criteria provided in law.

OBLIGATIONAL AUTHORITY

Because of the multi-year authorization and multi-year availability of funds associated with the Federal-aid highway program, Federal limitations are placed on the amount of funds which a state can obligate within a given fiscal year. This annual limitation is called "obligational authority" (OA) and applies to the total obligations of apportioned funds within a given fiscal year, regardless of the year in which the funds were apportioned. A limit on OA enables the Federal-aid highway program to be more responsive to economic and budgetary conditions. The ceiling on annual OA does not take back authorized funds already apportioned to the states; it only limits the annual rate of obligation. The amount of OA is included in the Federal annual appropriations act. Any unused OA does not carry over to subsequent years.

The OA ceiling is divided among the states based on each state's relative share of total apportioned funds. ISTEA provides for an annual redistribution of this obligational ceiling on August 1. OA is redistributed from states unable to utilize their initial full share of OA to other states able to obligate more than their initial share. A state which use up both its initial OA limit and any OA received through the August 1 redistribution before September 30 may also be eligible for an additional OA bonus. This process does not increase the overall total funds authorized to a state, however; it does permit a state to use their authorization faster.

OA only impacts apportioned funds. Allocated funds are either exempt from OA controls or are cover by their own spending authority.

ANNUAL APPROPRIATIONS ACT

Although obligations are commitments by the Federal government to reimburse the states for the Federal share of a projects cost, actual cash reimbursements by the Department of the Treasury cannot be made until approval of the annual appropriations act. The two primary functions of the annual appropriations act are to : 1) provide cash to liquidate (pay) the Federal commitment and 2) establish the annual limit on obligational authority.

2.2 STATE LEVEL ACTIONS

LOCAL AGENCY APPORTIONMENTS

There are essentially three kinds of Federal funds defined by ISTEA that are made available to local agencies to fund their projects. These are funds associated with:

- Statewide pools of Federal-aid

The statewide funds set aside for local use include programs like Highway Bridge Replacement and Rehabilitation (HBRR), Transportation Enhancement Activities (TEA), Hazard Elimination-Safety (HES), and Rail Road Grade Crossings. Projects are prioritized and placed on statewide program lists. Each one of these programs has its own unique method of determining prioritized lists based on program goals. The level of Federal apportionments determines which projects are funded.

- Demonstration programs

Demonstration programs have project descriptions and locations defined in legislation so they are not a source for general purpose funding of local projects. See Chapter 12 “Other Federal Program” in this manual for additional information.

- Apportioned Federal-aid to Regional Transportation Planning Agencies (RTPAs) and Metropolitan Planning Organizations (MPOs).

Regional Surface Transportation Program funds (RSTP-Chapter 4) and Congestion Mitigation and Air Quality (CMAQ-Chapter 5) funds, on the other hand, are apportioned to RTPAs and MPOs. State legislation (Section 182.6 of the Streets and Highways Code) defines how the funds are apportioned to RTPAs and MPOs within California. With these funds, each RTPA and MPO determines which projects are to be funded.

RSTP AND CMAQ FUNDS

RSTP funds apportioned to RTPAs and MPOs are based on population and a guarantee that counties will receive at least 110% of their pre-ISTEA FAS apportionment.

RSTP funds are actually made up of 3 different types of Federal funds. These are:

- Surface Transportation Program (STP) funds
- Donor State Bonus (DSB) funds
- Minimum Allocation (MA) funds

Furthermore, the FHWA has subdivided the above fund types into apportionments called "Any Area", "Areas <5,000 population", "Areas <200,000 population", and "Areas >200,000 population" as defined in ISTEA Section 133. DSB or MA do not apply to "Areas <5,000 population".

To help simplify the process for local agencies, the State has implemented a policy to exchange local "Areas <200,000 population" and "Areas <5,000 population" funds with State "Any Area" funds. This means that local agencies need only concern themselves with "Any Area" and "Areas >200,000 population" funds and whether to use STP, DSB, or MA for programming their projects.

CMAQ apportionments to RTPAs and MPOs are based on population and air quality non-attainment factors for specified air basins.

While State legislation has simplified the apportionment equations by grouping all fund sources together when computing RTPA/MPO (RSTP) apportionments, actual project obligations submitted to FHWA must include the precise apportionment codes. There are currently 19 codes available for obligating RSTP apportionments. For a complete description of these codes and the codes for the statewide programs, refer to the FHWA publication *"A Guide to Federal-Aid Programs, Projects, and Other Uses of Highway Funds"*. This document is available on the Caltrans Internet web site at <http://www.dot.ca.gov> under "Local Programs."

LOCAL OBLIGATIONAL AUTHORITY

Section 182 of S&HC sets procedure whereby all Congestion Mitigation and Air Quality (CMAQ) apportionments and approximately 42 percent of the Federal Surface Transportation Program, Donor Bonus, and Minimum Allocation (MA) apportionments are passed through to regional/local agencies. Section 182 also prescribes how the Federal-aid apportionment is to be distributed to each Metropolitan Planning Organization (MPO) and Regional Transportation Planning Agency (RTPA).

When ISTEA first came into the issue of local agency OA was not perceived as a problem because most local agencies were in the process of learning the complex ISTEA procedures. The local agency obligations against apportionments statewide were well below the OA limit. Now that most local agencies are familiar with the rules and flexibility of ISTEA, the obligations against apportionments have reached a point where it is necessary to monitor obligations to ensure that all local agencies have the opportunity to receive their fair share of apportionment. It is also necessary to monitor obligations to ensure that the Local Assistance Program as a whole does not exceed its proportionate share of the OA limitation. This LPP outlines procedures for monitoring OA.

The following procedures are used in managing Federal OA for Local Assistance projects:

- At the beginning of each Federal fiscal year (about October 1) or when Federal apportionments and OA allocations are received from FHWA, Caltrans will allocate Federal apportionments and a "fair share" of OA to each MPO/RTPA.
- OLP will monitor apportionment and OA usage/transfers and provide frequent reports to DLAE and MPOs/RTPAs.
- OLP will grant the MPOs/RTPAs flexibility in borrowing/loaning OA from other MPOs/RTPAs at any time during the year, provided that OLP is notified of the agreement by the affected MPOs/RTPAs.

- When an MPO/RTPA region exhausts its OA allocation:
 1. The DLAE will ask any local agency submitting a "Request for Authorization," in the affected area, if it wants to obligate any project under Advance Construction (AC), and
 2. If the local agency does not agree to the use of AC, its Regional Surface Transportation Program (RSTP) projects and FTA transfers can be obligated using the MPO/RTPA's MA apportionment. This option requires the approval of the MPO/RTPA (MA normally should not be used for CMAQ projects).

- When MPO/RTPA regional OA and MA apportionments are exhausted, and the MPO/RTPA and local agencies in the region have not agreed to use AC, the DLAE will place all local agency "Requests for Authorization" (in that MPO/RTPA's region) on hold until July 1 of that fiscal year.

Note: Any MPO/RTPA may negotiate a loan of OA from any other MPO/RTPA and continue to obligate projects using the borrowed OA. MPOs/RTPAs must notify Local Programs of any loans prior to, or at the time of, submitting a request to obligate funds that use the borrowed OA.

- On July 1 of each year, OLP will transfer all unused OA, including statewide OA (bridge and safety programs are in the statewide OA), into a statewide pot. Local Programs will then cash out all AC and obligate all projects on hold on a first-come, first-served basis until the OA is exhausted or all projects are obligated.
- Also on July 1, OLP will request that local agencies provide "Requests for Authorization" to the DLAE for any additional projects that are not under AC or on hold and that could be obligated prior to September 30 of that year. This is in preparation for the "August Redistribution" of OA. In August of each year, FHWA redistributes OA (from states that have not used their OA) to states that have used their OA, or can show that they will use all their OA by September 30, and have requested additional OA. Lists of projects on hold and the additional projects are provided by the DLAE to OLP by July 20 of each year. Projects under AC will be identified by OLP.
- On July 30 of each year, OLP will provide the Federal Resources Office (FRO) with a list of AC projects (if any), projects that are still on hold (if any), and additional projects to be obligated prior to September 30. This list is used in requesting additional OA from FHWA.
- FRO will request additional OA from FHWA on or about August 4.
- If additional OA is obtained from FHWA, a pro rata portion (based on the ratio of the dollar costs of Caltrans and local agency projects submitted for redistributed OA) is provided by FRO to OLP.
- OLP will cash out any remaining AC projects, obligate projects that are on hold (if any), and obligate those additional projects with "Requests for Authorization" submitted between July 1-20. This will be done on a first-come, first-served basis until additional OA is exhausted.
- If OA is still remaining, OLP will continue to obligate projects as they are requested until September 15, or until the statewide OA pot and the regional MA are exhausted.
- If OA remains on September 15, OFR will obligate Caltrans projects (or cash out Advance Construction for Caltrans projects) to utilize all the OA that is available statewide.

OBLIGATIONAL AUTHORITY GUIDELINES

- Advance Construction (AC) allows agencies to begin work on a project; however, agencies are required to use their own funds and Federal reimbursement is postponed until the OA is available to obligate funds for reimbursement.
- Minimum Allocation (MA) does not use OA and, therefore, is normally conserved to supplement available OA.
- MA funds cannot be used without a Caltrans/local match (e.g., if used for 100 percent Federally eligible safety projects, the project cannot be funded at 100 percent with MA funds).
- Once funds are obligated on a project, they cannot be withdrawn and substituted with a different fund (e.g., cannot de-obligate RSTP and substitute with MA).
- It is not advisable to use MA funds for CMAQ projects unless the MPO/RTPA has more CMAQ projects than can be funded with their apportionment, since there are restrictions on the types of projects that can be funded with CMAQ funds.
- MA is subject to lapse. Therefore, it cannot be conserved indefinitely.
- If AC is used, the Federal participation rate can be set at the time AC is cashed in (when Federal funds are obligated and when better cost data is available). This procedure works especially well for underfunded projects and could be used even if OA is available.
- AC can be used for part of the project costs when a project will be funded from various Federal apportionments and not all of the apportionments have OA available.
- There is a 15 percent limitation on OA usage during the first quarter (October 1 - December 31) of each Federal fiscal year. (Only 15 percent of the annual OA allocation can be used in the first quarter of the Federal fiscal year.)

TRACKING OBLIGATIONAL AUTHORITY

In order for everyone to track their OA a set of balance report is available for everyone to use. You may access these reports via the Internet at Caltrans Website under "Local Programs". The data is located in the directory at:

<http://www.dot.ca.gov/hq/LocalPrograms/fedrep/fedrep.htm>

To view these files you must have Acrobat for Windows or Macintosh. Free readers are available on the Internet from Adobe.com. If you purchase Acrobat, you will be able to create your own bookmarks and hypertext links.

Read the Acrobat file 895TOC.pdf for a table of contents of the reports. This file refers to August 1995. The table of contents has hypertext entries which allow you click on the documents to access them.

2.3 PROJECT LEVEL ACTIONS

FEDERAL-AID PROJECT FINANCING

The Federal-Aid Highway Program is a reimbursable program. The Federal government reimburses State and local agencies only for those eligible costs which are actually incurred by the project sponsor. Authorized funds, distributed to the State through apportionments or allocations, represent lines of reimbursement credit upon which a project sponsor may draw as they advance a Federal-aid project. Typically, the sponsor of a Federal-aid project must initiate a Federal-aid project using their own money, i.e., provide front-end financing and receive monthly cash reimbursements for the Federal share of the project cost as the work is completed.

The following sections outline the major project related documents and actions necessary before a local agency can begin invoicing for reimbursement of the Federal share of a local Federal-aid project.

LOCAL AGENCY-STATE MASTER AGREEMENT

A Local Agency-State Master Agreement must be executed before a local agency requests Federal participation on a local assistance transportation project. In the Master Agreement, a local agency agrees to comply with all Federal laws, regulations, policies and procedures relative to the design, right of way acquisition, construction and maintenance of the proposed facility, and for other authorized uses. Periodically, Master Agreements must be reexecuted to account for changes in laws and policies. Refer to Chapter 3 “Agreements” of the *Procedures Manual for Implementing Local Assistance Projects* for additional information on the agreements used on Federal and State-aid local transportation projects.

PROJECT INCLUSION IN THE FTIP/FSTIP AND APPROVED ELIGIBILITY LISTS

All projects, except Emergency Relief (ER), must be included in a Federally approved Federal Transportation Improvement Program (FTIP) or Federal Statewide Transportation Improvement Program (FSTIP) (in rural areas), before work can be authorized and initiated. ER projects must be included in the FTIP/FSTIP only if they involve substantial functional, location or capacity changes.

To provide local agencies with the increased flexibility in holding projects, to expedite project delivery, and to reduce paper work certain category of projects ([see Exhibit 2-A, “TIP Exempt Projects” - “Table 2”](#)) may be excluded from project-specific listing in Metropolitan Transportation Plans and TIPs. This exemption does not apply to Table 2 projects if the MPO in consultation with other state and Federal agencies, under the interagency consultation requirements, concurs that the project has potentially adverse emissions impacts for any reason.

Funding for Table 2 projects still must be listed in TIPs to meet the programming requirements under ISTEA, but that requirement may be fulfilled by an appropriate lump sum listing with the exception of Mass Transit projects. Mass Transit projects shall still require separate line item listing in the TIP, for programming purposes, with certain minor exceptions. For information on the exceptions contact the Federal Transit Authority.

Additional regulation allows certain types of regional transportation projects to be exempted from regional emissions analyses. These project types are listed in [Exhibit 2-A “TIP Exempt Projects” - “Table 3”](#). The local effects of these projects with respect to CO or PM10 concentrations must be considered to determine if hot-spot analysis is required prior to making a project-level conformity determination. If a local agency determines a hot-spot analysis is not required, the local agencies can then proceed with the project development process and place those eligible projects for exemption under the appropriate "lump sum" listing. However, the exemption clause does not apply to those projects when the MPO, in consultation with other state and Federal agencies under the interagency consultation conformity requirements, concurs that the project has potentially adverse emissions impacts for any reason.

In addition the following projects must also be included on the eligibility lists noted:

- Grade Crossing Improvement funds - California Public Utilities Commission (CPUC) approved list
- Transportation Enhancement Activity (TEA) funds - California Transportation Commission (CTC) approved list
- Flexible Congestion Relief funds - CTC approved STIP (if over \$300,000)
- Highway Bridge Replacement & Rehabilitation (HBRR) funds - Caltrans approved list
- Hazard Elimination Safety (HES) funds - Caltrans approved list
- Transportation System Management (TSM) - Caltrans approved list

AUTHORIZATION TO PROCEED

Prior to beginning reimbursable work on a Federal-aid project, an “Authorization to Proceed” (see Chapter 3 “Project Authorization” in *the Local Assistance Procedures Manual*) must be granted by the FHWA or Caltrans (per stewardship agreements), which authorizes reimbursement with Federal funds. Any work performed prior to such authorization is not eligible for Federal participation. The obligation of funds for all Federal-aid projects is performed by the FHWA.

“Authorization to Proceed” is required for each phase of work for which Federal reimbursement is sought. These include preliminary engineering, right of way, and construction (concurrent phase authorization is permissible). “Authorization to Proceed” may also be granted for a portion of a work phase, (e.g., utility work may be authorized as part of the right of way phase). Within a phase of work, the work for partial approval must be at logical break points as agreed to by Caltrans or the FHWA, based on task accomplishments and not a period of time. The work tasks must be specifically attributable to the development of the project.

For declared emergencies approved by the FHWA for Emergency Relief (ER) funding, emergency repair work and preliminary engineering work may be initiated without prior authorization.

For highway related projects, detailed procedures for obtaining Federal authorization to proceed and obligating Federal funds are contained in Chapter 3 “Project Authorization” of the *Local Assistance Procedures Manual*.

ISTEA funds made available for public transit projects which are typically administered by the Federal Transit Administration (FTA), must be transferred to the jurisdiction of the FTA. The procedures for transferring Federal funds and administrative responsibility from the FHWA to the FTA are also discussed in Chapter 3 “Project Authorization” of the *Local Assistance Procedures Manual*.

PROGRAM SUPPLEMENT AGREEMENT

A Program Supplement Agreement between the State and local agency must be executed prior to the reimbursement of Federal funds for each project.. This agreement is a supplement to the above referenced Local Agency-State Master Agreement and addresses project specific financial responsibilities. The program supplement identifies the reimbursable phase(s) of work as well as types and amounts of Federal, state and local funds used to finance the locally sponsored project (see Chapter 4, “Agreement”, of the *Local Assistance Procedures Manual*.).

The program supplement is prepared by the Office of Local Programs typically prior to advertising the project. Early execution avoids or minimizes delays in processing the initial local agency invoice.

If Federal reimbursement is sought for a phase of work prior to construction authorization, a separate program supplement must be executed for that phase of work.

DETAIL ESTIMATE

Following the award of a construction contract, a “Detail Estimate” is prepared by the project sponsor. The detail estimate is used to identify Federally participating and non-participating portions of work, segregate work by major Federal work type codes, quantify supplemental work, State/local agency furnished materials, and contingencies and construction engineering and establish the Federal reimbursement ratio for the project. See Exhibit 15-I “Detail Estimate” in the *Local Assistance Procedures Manual*.

FINANCE LETTER

A “Finance Letter” is also prepared by the local agency to identify the funding sources of a project. It is based on the detail estimate and other costs for non construction phases of work. A finance letter segregates project costs by eligible phases of work, identifies work performed by State and/or local forces, shows the total and participating project costs, and identifies the various project funding sources. The finance letter is the basis for reimbursement of the Federal funds shown in the Federal-Aid Project Agreement (PR-2). Eligible project costs cannot be reimbursed until a Finance Letter is submitted to Local Programs Accounting Branch via the District Local Assistance Engineer and the Office of Local Programs. See Exhibit 15-J “Finance Letter” in the *Local Assistance Procedures Manual*.

FEDERAL-AID PROJECT AGREEMENT (PR-2)

All local Federal-aid projects require an executed “Federal-Aid Project Agreement” (PR-2) prior to Federal reimbursement. This agreement, between FHWA and the State establishes the level of funds needed for reimbursement of the Federal share of project costs. The Federal funds contained in the PR-2 are based on the Detail Estimate and supersede the dollars shown in the Program Supplement and “Authorization to Proceed”. Any increase in Federal funds above that shown in the PR-2 will require FHWA concurrence and processing of a modified agreement (PR-2A). Any project costs above the authorized Federal and State shares in the PR-2 or PR-2A are the responsibility of the local agency.

COMBINED STATE AND FEDERAL-AID PROJECT FINANCING

Where the State is providing funds to match or supplement Federal funding, the details of this funding shall be provided with the “Request for Authorization” (see Chapter 3 “Project Authorization” in *the Local Assistance Procedures Manual*) submittal. Sufficient information and cost breakdown shall be provided to segregate the State funding.

For Flexible Congestion Relief (FCR), Transportation Enhancement Activity (TEA) and Traffic System Management (TSM) (with construction and right of way costs more than \$300,000) projects, a California Transportation Commission (CTC) vote is required to allocate funds for the specific project before right of way (R/W) is acquired or a construction contract is awarded. The CTC vote should precede the “Request for Authorization” of Federal funds. Preparing and scheduling a project for a CTC vote requires six weeks lead time.

Before beginning preliminary engineering, the local agency should discuss the current program rules with the District Local Assistance Engineer (DLAE). Generally, preliminary engineering, for State funded projects, does not require an individual project vote by the CTC.

2.5 REFERENCES

- *Financing Federal-Aid Highways*, Federal Publication No. FHWA-PL-92-016, dated May 1992.
- 23 CFR 630.114
- 23 CFR 635.301 et. seq.
- Federal-Aid Data System Instructions 06/02/93
- Section 182 Streets and Highway Code
- Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) Stewardship Agreements dated 5/12/92
- Section 176 (c)(4) of the Clean Air Act as Amended in 1990
- 40 CFR 93
- 23 CFR 450

Table 2 -Exempt Projects**SAFETY**

Railroad/highway crossing
Hazard elimination program
Safer nonFederal-aid system roads
Shoulder improvements
Increasing sight distance
Safety improvement program
Traffic control devices and operating assistance other than signalization projects
Railroad/highway crossing warning devices
Guardrails, median barriers, crash cushions
Pavement resurfacing and/or rehabilitation
Pavement marking demonstration
Emergency relief
Fencing
Skid treatments
Safetyroadside rest areas
Adding medians
Truck climbing lanes outside the urbanized area
Lighting improvements
Widening narrow pavements or reconstructing bridges (no additional travel lanes)
Emergency truck pullovers

MASS TRANSIT

Operating assistance to transit agencies
Purchase of support vehicles
Rehabilitation of transit vehicles
Purchase of office, shop, and operating equipment for existing facilities
Purchase of operating equipment for vehicles (e.g., radios, fareboxes, lifts, etc.)
Construction or renovation of power, signal, and communications systems
Construction of small passenger shelters and information kiosks
Reconstruction or renovation of transit buildings and structures (e.g., rail or bus buildings, storage and maintenance facilities, stations, terminals, and ancillary structures)
Rehabilitation or reconstruction of track structures, track, and trackbed in existing rights-of-way
Purchase of new buses and rail cars to replace existing vehicles or for minor expansions of the fleet
Construction of new bus or rail storage/maintenance facilities categorically excluded in 23 CFR 771

AIR QUALITY

Continuation of ridesharing and vanpooling promotion activities at current levels
Bicycle and pedestrian facilities

OTHER

Specific activities which do not involve or lead directly to construction, such as:

- Planning and technical studies
- Grants for training and research programs
- Planning activities conducted pursuant to titles 23 and 49 U.S.C
- Federal-aid systems revisions
- Engineering to assess social, economic, and environmental effects of the proposed action or alternatives to that action
- Noise attenuation
- Advance land acquisitions (23 CFR 712 or 23 CFR 771)
- Acquisition of scenic easements
- Plantings, landscaping, etc.
- Sign removal
- Directional and informational signs
- Transportation enhancement activities (except rehabilitation and operation of historic transportation buildings, structures, or facilities)
- Repair of damage caused by natural disasters, civil unrest, or terrorist acts, except projects involving substantial functional, locational or capacity changes

Table 3. - Projects Exempt From Regional Emissions Analyses

- Intersection channelization projects
- Intersection signalization projects at individual intersections
- Interchange reconfiguration projects
- Changes in vertical and horizontal alignment
- Truck size and weight inspection stations
- Bus terminals and transfer points